
PELICAN CENTER FOR CHILDREN AND FAMILIES

FINANCIAL STATEMENTS

SEPTEMBER 30, 2013

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 4/9/14



Postlethwaite
& Netterville

A Professional Accounting Corporation

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PELICAN CENTER FOR CHILDREN AND FAMILIES

FINANCIAL STATEMENTS

SEPTEMBER 30, 2013

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Pelican Center for Children and Families

Report on the Financial Statements

We have audited the accompanying financial statements of Pelican Center for Children and Families, (the Organization), which comprise the statement of financial position as of September 30, 2013, and the related statement of activities and change in net assets, functional expenses, and cash flows for the period then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pelican Center for Children and Families as of September 30, 2013 the changes in its net assets and its cash flows for the period then ended in conformity with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2014, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance.

Postlethwaite + Vetterville

Metairie, Louisiana
March 7, 2014

PELICAN CENTER FOR CHILDREN AND FAMILIES
NEW ORLEANS, LOUISIANA
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2013

ASSETS

Current assets:	
Cash	\$ 492,223
Total current assets	<u>492,223</u>
Total assets	<u>\$ 492,223</u>

LIABILITIES AND NET ASSETS

Current Liabilities:	
Accrued expenses	\$ 1,958
Total current liabilities	<u>1,958</u>
Total liabilities	<u>1,958</u>
Net assets:	
Unrestricted	490,265
Temporarily restricted (note 2)	<u>-</u>
Total net assets	<u>490,265</u>
Total liabilities and net assets	<u>\$ 492,223</u>

The accompanying notes are an integral part of this financial statement.

PELICAN CENTER FOR CHILDREN AND FAMILIES
NEW ORLEANS, LOUISIANA
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FROM INCEPTION THROUGH SEPTEMBER 30, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>Revenues and support:</u>			
Grants	\$ 511,044	\$ -	\$ 511,044
Net assets released from restrictions (note 2)	-	-	-
Total revenues and other support	<u>511,044</u>	<u>-</u>	<u>511,044</u>
<u>Expenses:</u>			
Programs	-	-	-
Fundraising	-	-	-
Management and general	<u>20,779</u>	<u>-</u>	<u>20,779</u>
Total expenses	<u>20,779</u>	<u>-</u>	<u>20,779</u>
Change in net assets	490,265	-	490,265
<u>NET ASSETS AT INCEPTION</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>NET ASSETS AT END OF THE YEAR</u>	<u>\$ 490,265</u>	<u>\$ -</u>	<u>\$ 490,265</u>

The accompanying notes are an integral part of this financial statement.

PELICAN CENTER FOR CHILDREN AND FAMILIES
NEW ORLEANS, LOUISIANA
STATEMENT OF FUNCTIONAL EXPENSES
FROM INCEPTION THROUGH SEPTEMBER 30, 2013

	<u>Program Services</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total</u>
Professional services	\$ -	\$ -	\$ 19,266	\$ 19,266
Supplies	-	-	147	147
Operating services	-	-	1,366	1,366
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,779</u>	<u>\$ 20,779</u>

The accompanying notes are an integral part of this financial statement.

PELICAN CENTER FOR CHILDREN AND FAMILIES
NEW ORLEANS, LOUISIANA
STATEMENT OF CASH FLOWS
FROM INCEPTION THROUGH SEPTEMBER 30, 2013

OPERATING ACTIVITIES

Change in net assets	\$ 490,265
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Change in accrued expenses	<u>1,958</u>
Net cash provided by operating activities	<u>492,223</u>
 Net increase in cash	 492,223
 Cash and cash equivalents at inception	 <u>-</u>
Cash and cash equivalents, end of year	<u>\$ 492,223</u>

The accompanying notes are an integral part of this financial statement.

PELICAN CENTER FOR CHILDREN AND FAMILIES

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Organization

The Pelican Center for Children and Families (the Organization) non-profit corporation incorporated on January 31, 2013 under the laws of the State of Louisiana. The Organization's mission is to encompass all Louisiana Court Improvement Program (CIP) activities and provide for formalized, interdisciplinary and collaborative work agreements with relevant child welfare stakeholders throughout the state, with goal of improving global outcomes for children.

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Classification of Net Assets

Financial Accounting Standards Board Codification No. 958 entitled "Not-For-Profit Entities" requires that net assets and changes in net assets be reported for three classifications - permanently restricted, temporarily restricted and unrestricted - based on the existence or absence of donor imposed restrictions of the assets to a particular purpose. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

- **Unrestricted net assets** - Net assets that are not subject to donor-imposed stipulations.
- **Temporarily restricted net assets** - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time.
- **Permanently restricted net assets** - Net assets subject to donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled and removed by actions of the Organization pursuant to those stipulations. The Organization has no permanently restricted net assets.

PELICAN CENTER FOR CHILDREN AND FAMILIES

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statements of activities as net assets released from restriction.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

The Organization maintains cash in bank accounts in excess of insured limits periodically. The Organization has not experienced any losses and does not believe that significant credit risk exists as a result of this practice.

Grant Revenue

Revenues from federal and state grants are recorded when the Organization has a right to reimbursement under the related grant, generally corresponding to the incurring of grant related costs by the Organization, or when otherwise earned under the terms of the grants.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. At September 30, 2013, there were no outstanding receivables.

Contributed Services

Members of the Organization's board of directors and other volunteers have made significant contributions of their time to assist in the Organization's operations and related charitable programs. The value of this contributed time is not recorded in these financial statements because it is not susceptible to objective measurement or valuation.

PELICAN CENTER FOR CHILDREN AND FAMILIES

NOTES TO FINANCIAL STATEMENTS

2. Restricted Assets

At September 30, 2013, the Organization has no temporary restricted assets or permanently restricted assets.

3. Income Taxes

Pelican Center for Children and Families has submitted the section 501(c)(3) application to the Internal Revenue Service. As of the report date, the application is still in progress.

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of Pelican Center for Children and Families and various positions related to the potential sources of unrelated business taxable income (UBIT). The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities at September 30, 2013.

Pelican Center for Children and Families' tax returns for the year ended September 30, 2013 has not been filed and is on valid extension.

4. Contingencies

Grant Programs

The Organization participates in state and federal grant programs, which are governed by various rules and regulations. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that Organization has not complied with the rules and regulations governing the grants, refunds of any money received and the collectability of any related receivable as of September 30, 2013 might be impaired. In management's opinion, there are no significant contingent liabilities relating to compliance with the rules and regulations governing state and federal grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies. Any costs that would be disallowed would be recognized in the period agreed upon by the grantor agency and the Organization.

PELICAN CENTER FOR CHILDREN AND FAMILIES

NOTES TO FINANCIAL STATEMENTS

4. Contingencies (continued)

Significant Grants

For the period ended September 30, 2013, \$511,044 of the Organization's financial assistance was federal funds received by the Louisiana Supreme Court, passed through the Louisiana Bar Foundation to the Organization. Management believes that the Organization is in compliance with the provisions of these grants and that the findings of an audit, if any, would not have a material impact on the financial statements.

5. Subsequent Events

Management of the Organization has evaluated subsequent events through the date the financial statements were available to be issued, March 7, 2014, and determined no items required disclosure.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
Pelican Center for Children and Families

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Pelican Center for Children and Families (the Organization), which comprise the statements of financial position as of September 30, 2013, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the period then ended, and the related notes to the financial statements, and have issued our report thereon dated March 7, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Pelican Center for Children and Families' internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Postlethwaite + Netterville

Metairie, Louisiana
March 7, 2014